



Together. Forward. Faster.

**Member Meeting
May 29, 2019**

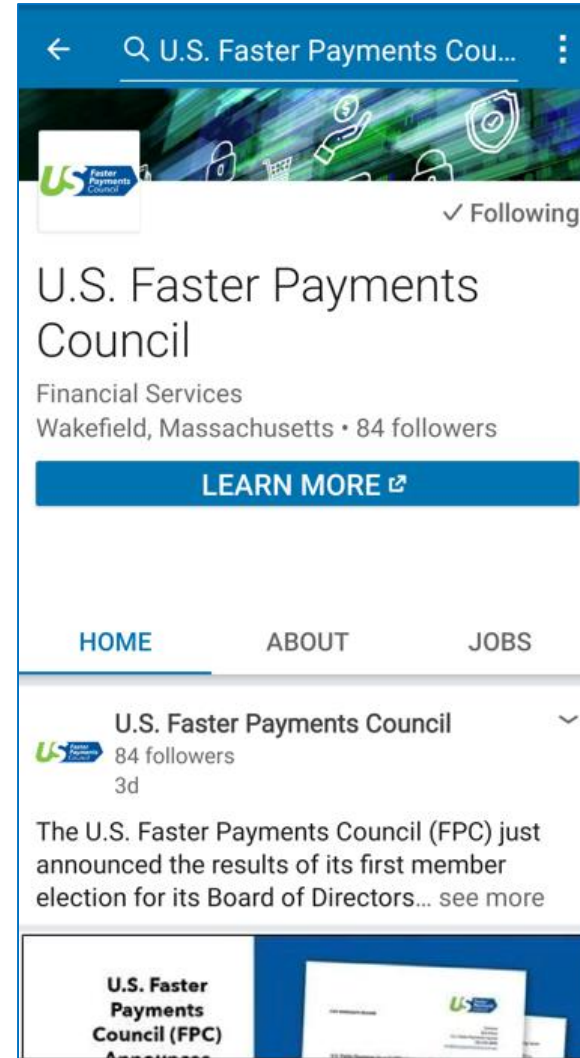


Welcome

Kevin Christensen

*FPC Acting Executive Director,
Acting Chair of the FPC Board of Directors,
SHAZAM*

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**Lou Anne
Alexander,**
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American Bankers
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Steve Ledford,
The Clearing
House

Susan Doyle,
EPCOR

Tom Rea,
U.S. Bank

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Meeting Agenda

Morning		
8:00 – 8:30	Welcome & Opening Remarks	Kevin Christensen, FPC Acting Executive Director & Acting Chair of the FPC Board of Directors, SHAZAM
8:30 – 9:30	Keynote: How Faster Payments Protect Consumers	Richard Cordray, Former and Founding Director, U.S. Consumer Financial Protection Bureau
9:30 – 10:15	Membership Update	Kevin Christensen, SHAZAM
10:15 – 10:30	Break	
10:30 – 11:15	The Future of Faster Payments	Lou Anne Alexander, Early Warning Susan Doyle, EPCOR Jan Estep, Nacha Amy Zirkle, ETA Moderated by Andrea Gilman, Mastercard
11:15 – 12:00	Roundtable Discussions	
12:00 – 1:00	Lunch	
12:30 – 1:00	Lunch Keynote: Faster Payments Get Real	Cyrus Bhathawalla, KPMB

Afternoon		
1:00 – 1:15	Fireside Chat	Reed Luhtanen, Walmart Kevin Christensen, SHAZAM
1:15 – 1:45	Real-Time Payments for Corporates and Businesses: Will They Actually Adopt?	Magnus Carlsson, AFP Deborah Matthews Phillips, Jack Henry & Associates
1:45 – 2:00	Break	
2:00 – 3:00	Roundtable Discussions	
3:00 – 3:30	Managing Risk Effectively in a Faster World	Rivka Gewitz Little, IDC
3:30 – 3:45	Quick Wins Update	Matt Friend, Visa
3:45 – 4:00	Break & Breakout Sessions Transitions	
4:00 – 5:00	<ul style="list-style-type: none"> Quick Wins Group Breakout Sessions Lend Your Expertise: Future FPC Initiatives 	Susan Doyle, EPCOR Steve Kenneally, ABA Steve Ledford, TCH Matt Friend, Visa
5:00 – 5:15	Closing Remarks	Kevin Christensen, SHAZAM



How Faster Payments Protect Consumers



Richard Cordray
*Former and Founding Director, U.S.
Consumer Financial Protection Bureau*



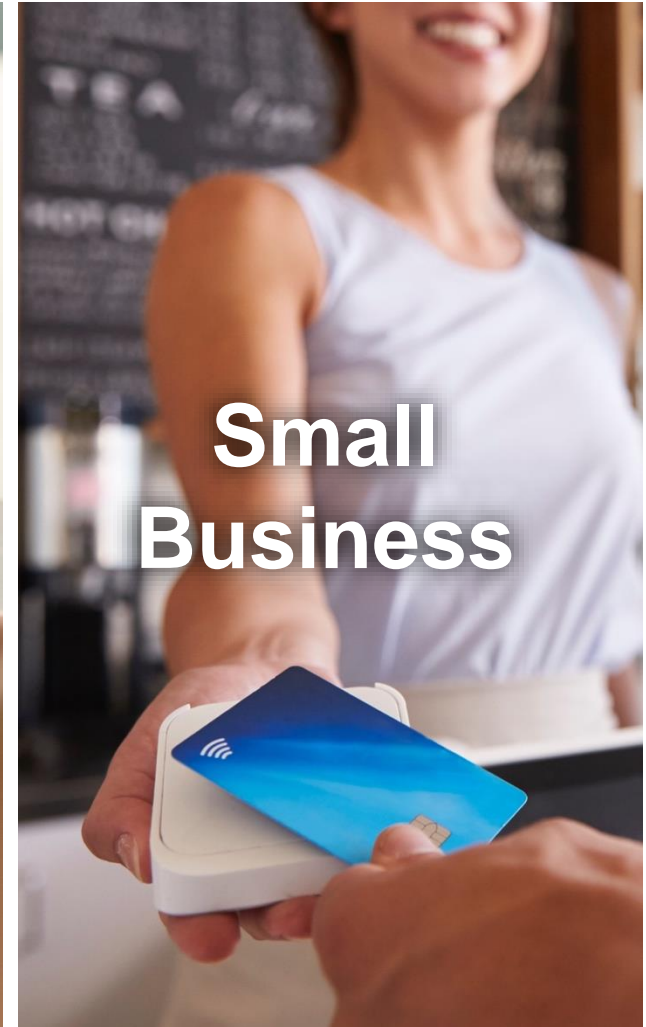
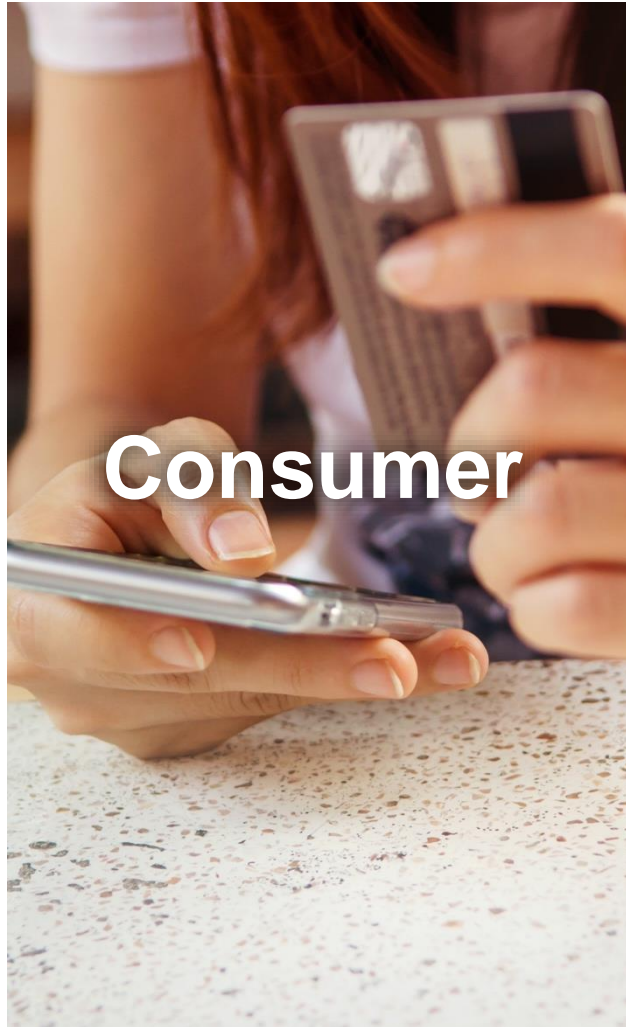
Membership Update

Kevin Christensen

*FPC Acting Executive Director,
Acting Chair of the FPC Board of Directors,
SHAZAM*

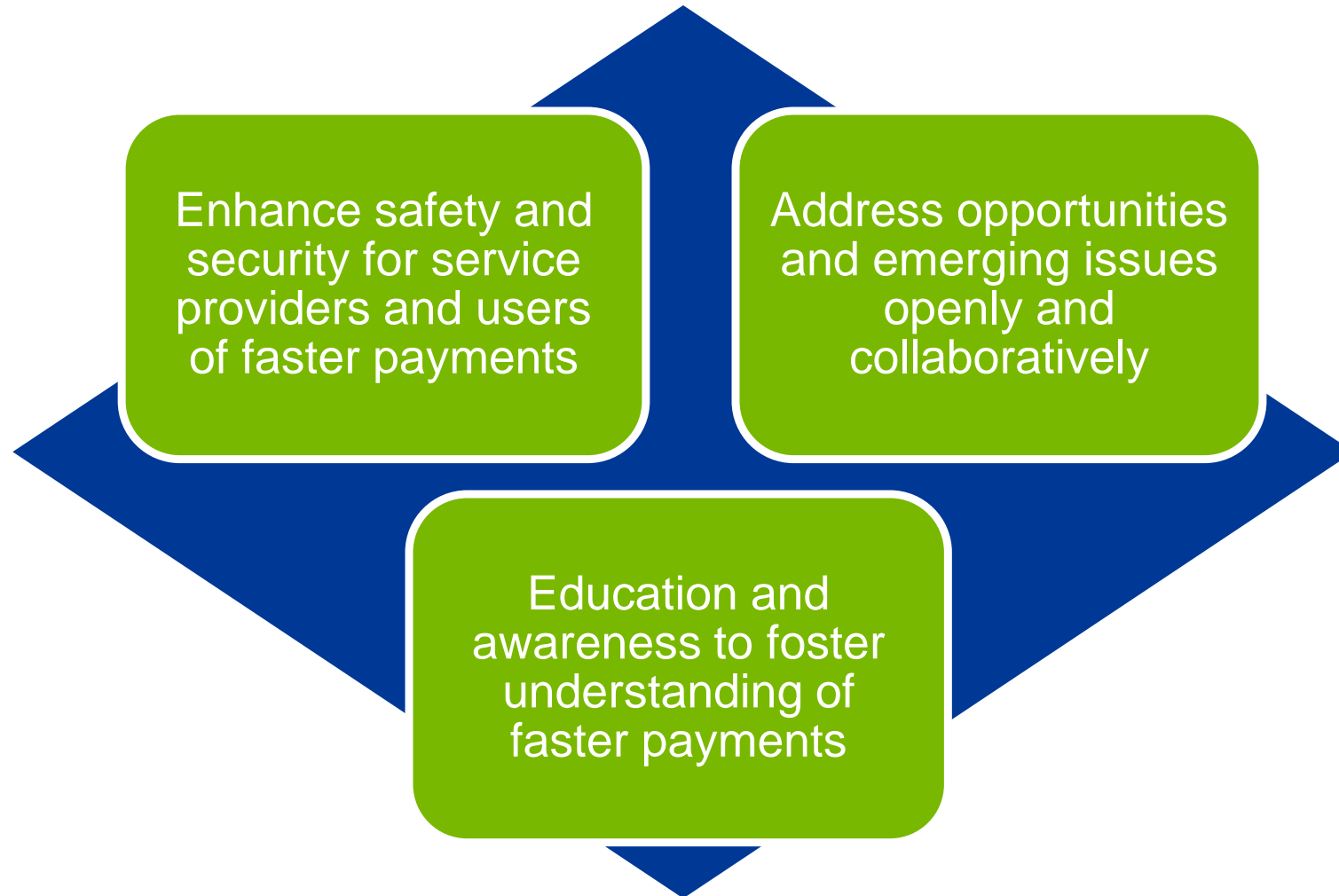
A Path to Faster Payments Ubiquity

Americans require a **world-class payment system**, where they can safely and securely pay anyone, anywhere, at any time, and with near-immediate funds availability



Taking On Key Challenges

The FPC will address the issues that inhibit adoption of faster payments in the United States



Driven by Common Goals

Guiding principles are at the core of how the FPC operates and what makes us different

Inclusiveness and Fairness

Through segment-level representation on the Board and open opportunities to serve on committees and work groups, all active members have a voice in the direction of the FPC's work.

Flexibility and Responsiveness

The FPC focuses on the broader good while upholding competitive prerogatives and respecting members' ability to manage their own business operations. Members choose whether to adopt FPC recommendations and are able to implement them consistent with their individual organizations' unique needs.

Transparency

The FPC has clear processes for deliberations and decision making that are open, transparent and objective. Open and inclusive opportunities to exchange opinions and resolve differences will ideally result in broad member support for FPC recommendations.

Members Make it Happen

FPC members can influence the future of faster payments in a variety of ways

Dialogue

FPC Community: Be part of safe forums for dialogue that support innovation, inform system design, and enhance cross-solution risk mitigation.

Influence

FPC Board: Set strategic direction and ensure processes, activities and recommendations of the FPC are consistent with its fundamental principles.

Solve Problems

FPC Workgroups and Committees: Influence decisions affecting the direction of the FPC and its priorities.

FPC History

2015

- May: Faster Payments Task Force (FPTF) convened by Federal Reserve

2016

- 320 FPTF members identified and assessed approaches for implementing safe, ubiquitous faster payments in the US

2017

- January: FPTF Final Report Part I – FPTF Approach
- July: FPTF Final Report Part II – A Call to Action
- Mid 2017: Interim Collaboration Work Group (ICWG) established, reps elected by FPTF segments
- Late 2017: ICWG renamed as Governance Framework Formation Team (GFFT)

2018

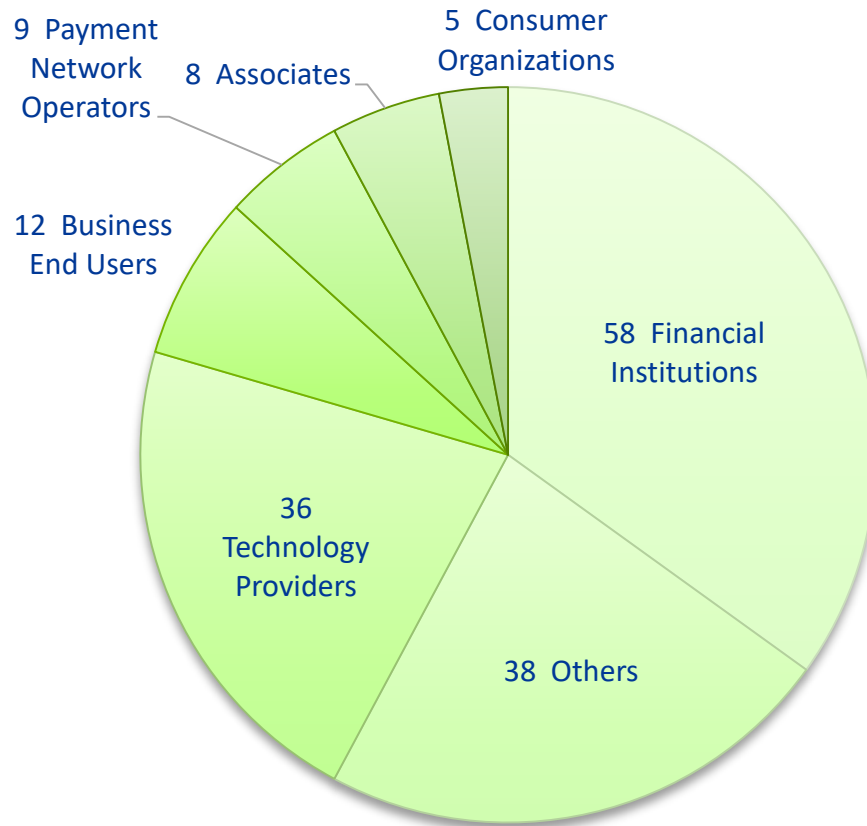
- October: FPC incorporated, interim Board seated
- November: FPC Framework published

2019

- April: FPC Board election
- May 29: First FPC member meeting
- May 30: Elected Board seated

FPC Membership

FPC Total Membership: 166



As of May 13, 2019, including pending applications

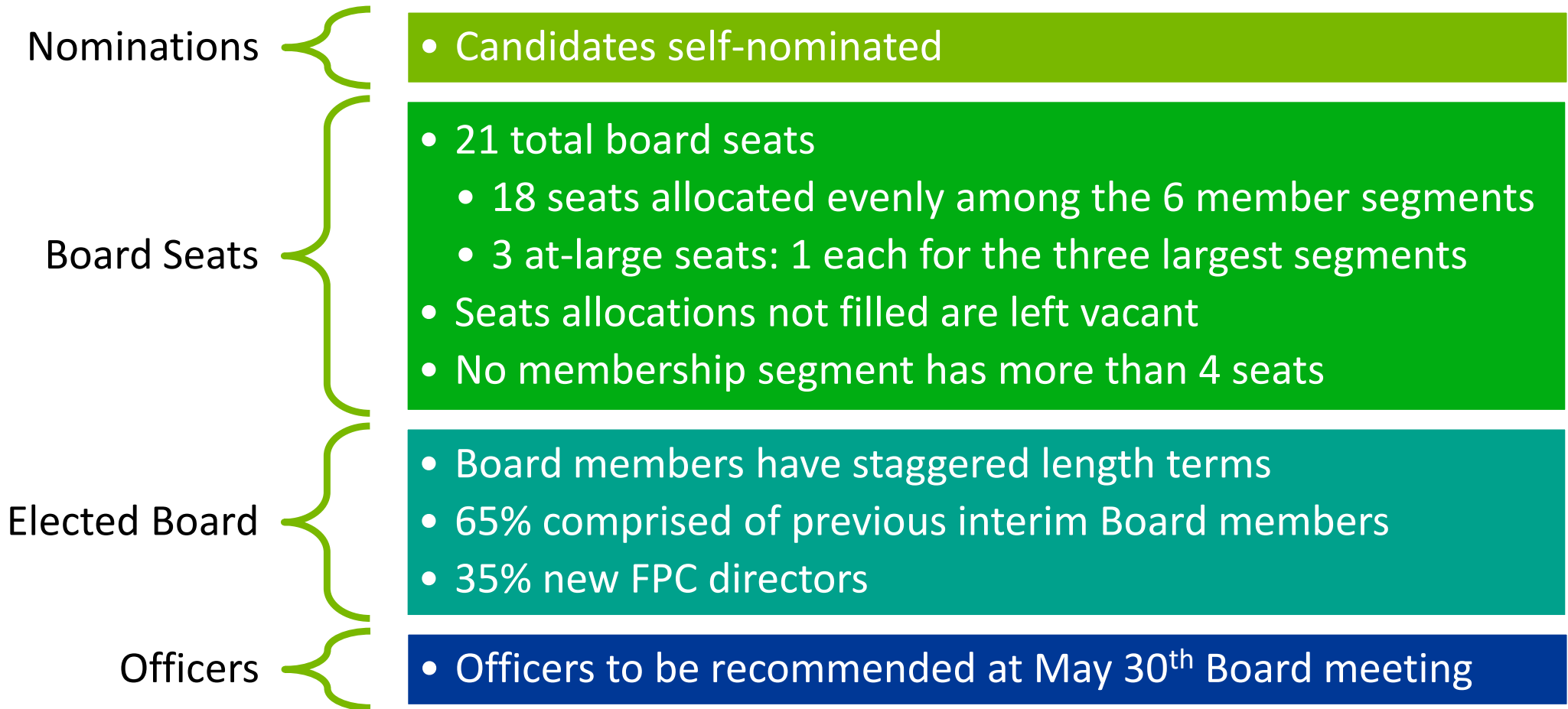
FPC is still growing

- 59 applications in 2018
- 107 applications in 2019 so far

Who is at today's meeting?

- More than 150 individuals representing 100 organizations
- Today's attendees by segment:
 - 3 Associate Members
 - 5 Business End Users
 - 3 Consumer Organizations
 - 49 Financial Institutions
 - 37 Other
 - 15 Payment Network Operators
 - 39 Technology Providers

Board Election Process



Elected Board of Directors

Business End Users

- **Reed Luhtanen**, Walmart Inc., 3-year term
- **Perry Starr**, Target Corporation, 2-year term
- **John Drechny**, Merchant Advisory Group, 1-year term

Consumer Organizations

- **Adam Rust**, Reinvestment Partners, 3-year term
- **Cathy Mansfield**, National Consumer Law Center, 2-year term

Financial Institutions

- **Michael Bilski**, North American Banking Company, 3-year term
- **Mark Keeling**, The Bankers Bank, 2-year term
- **Robert Palmer**, Community Bankers Association of Ohio, 1-year term
- **Roy DeCicco**, JP Morgan Chase, 1-year term (at-large seat)

Other

- **Susan Doyle**, EPCOR, 3-year term
- **Steve Kenneally**, American Bankers Association, 2-year term
- **Jane Larimer**, Nacha, 1-year term
- **James Kaitz**, Association for Financial Professionals, 1-year term (at-large seat)

Payment Network Operators

- **Matt Friend**, Visa, 3-year term
- **Andrea Gilman**, Mastercard, 2-year term
- **Steve Ledford**, The Clearing House, 1-year term

Technology Providers

- **Deborah Phillips**, Jack Henry & Associates, 3-year term
- **Kevin Christensen**, SHAZAM, 2-year term
- **Gene Neyer**, Icon Solutions, 1-year term
- **Pat Thelen**, Ripple, 1-year term (at-large seat)

First elected FPC Board to be seated May 30th

Accomplishments to Date #GSD

Organization Management

- Incorporation and bylaws
- Interim Board
- Functional leads
- Association management firm
- Executive Director search

Finance and Budget

- Collected member dues
- Developed multi-year budget

Membership and Recruiting

- Founding sponsors and members
- Member applications and onboarding
- Outreach to prospective members

Board Nominations and Election

- Called for nominations
- Administered inaugural election

Industry Engagement and Press

- Merchant Advisory Group conference
- Nacha Payments 2019 conference
- Media interviews
- Industry event panels

Member Engagement

- Regular communications and recurring emails
- Members-only section of FPC site
- Member survey
- Member meeting

Work Groups

- Education & Awareness
- End User Transparency
- Safety & Security

Other Work Efforts

- Agreement to collaborate with Nacha Payments Innovation Alliance on Faster Payments Playbook

Industry Contributions

DWG and RSLRWG were established to address recommendations in the Faster Payments Task Force final report

Both groups' final reports have been delivered to the FPC and will be considered as part of FPC work group efforts

Directories Work Group (DWG)

- **Purpose:** Evaluate various payment directory models to enable interoperability in a multi-operator faster payments ecosystem
- **Findings:**
 - Evaluated 4 models against 43 design considerations
 - General consensus on a 'hub' directory service
 - Directory should maintain the minimum amount of data required
 - Rail agnostic: payment outside of the directory
 - Security will always be foundational

Rules, Standards, Laws, and Regulations Work Group (RSLRWG)

- **Purpose:** Offer an industry perspective and provide clarity around topics related to laws, regulations, rules and standards with respect to faster payments
- **Findings:**
 - No current laws and regs inhibit operation of faster payments
 - Laws, regs, rules and standards are independently valuable, but a coordinated, layered approach to applying them has led to the best outcomes
 - Role of rules, standards, laws, and regs should be continuously evaluated as the landscape evolves
 - Collaboration among stakeholders is powerful, particularly for supporting industry self-regulation

Member Survey

Member Survey

- Objectives:
 - Understand member priorities
 - Guide the direction of future FPC work



Survey results are a starting point for today's roundtable discussions

- How can the FPC add value for the industry?
- How can the FPC add value for your organization?
- What problems should the FPC address to advance faster payments?
- What are the highest priority topics for the FPC to focus on?

Member Survey: Value Proposition

Top 3 activities that would provide the most value to members' organizations

1. Publish in-depth analyses of specific topics related to faster payments [4.34/5]
2. Provide opportunities for members to collaborate (e.g., hosting in-person forums to discuss specific topics related to faster payments [4.24/5])
3. Provide content or programs to support the development of and alignment to best practices for faster payment solutions [4.22/5]

Top 3 activities that would provide the most value to the industry

1. Kick off processes designed to solve specific problems in faster payments [4.37/5]
2. Provide content or programs to support the development of and alignment to best practices for faster payment solutions [4.34/5]
3. Develop campaigns to drive awareness and encourage adoption of faster payments [4.26/5]

Member Survey: Topics of Interest

Top 5 topics the FPC should tackle this year

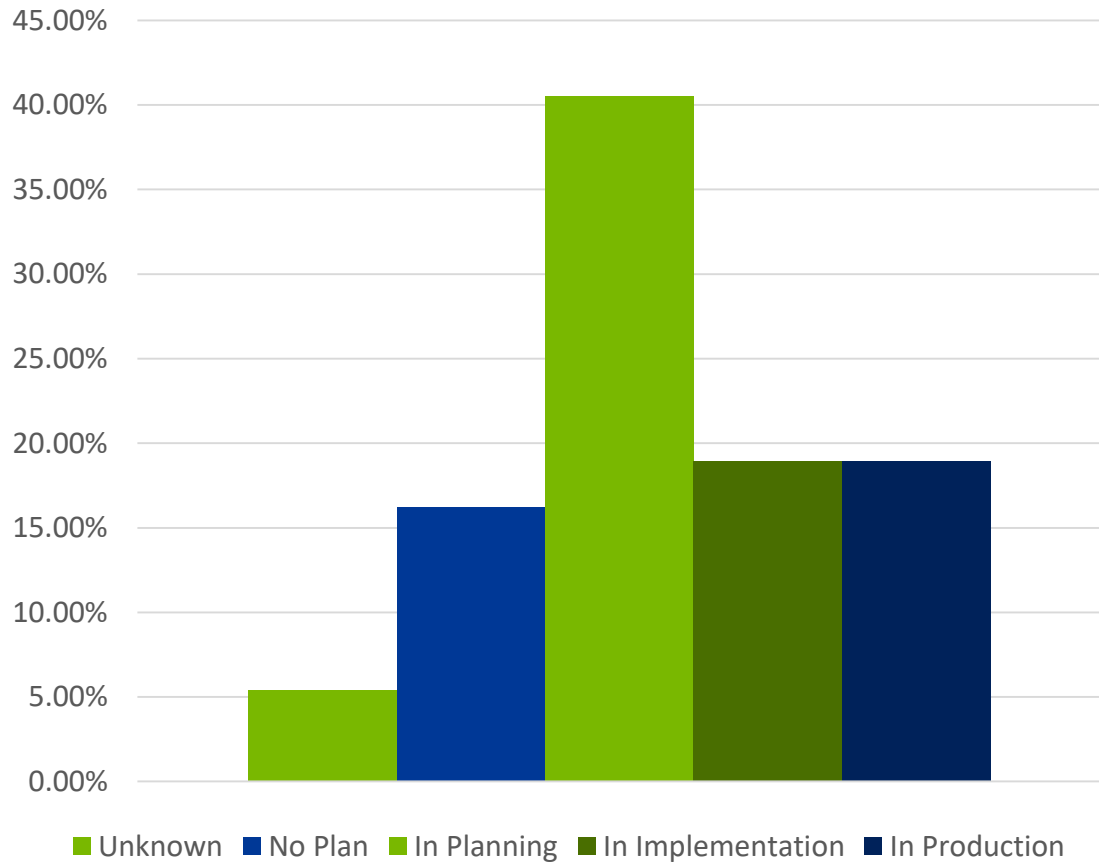
1. Fraud information sharing [4.16/5]
2. Processing payments across faster payments systems [4.16/5]
3. Business-to-business payments [4.13/5]
4. Payments use cases [3.95/5]
5. Regulations and regulatory guidance [3.92/5]

Topics that should be featured at an upcoming member meeting

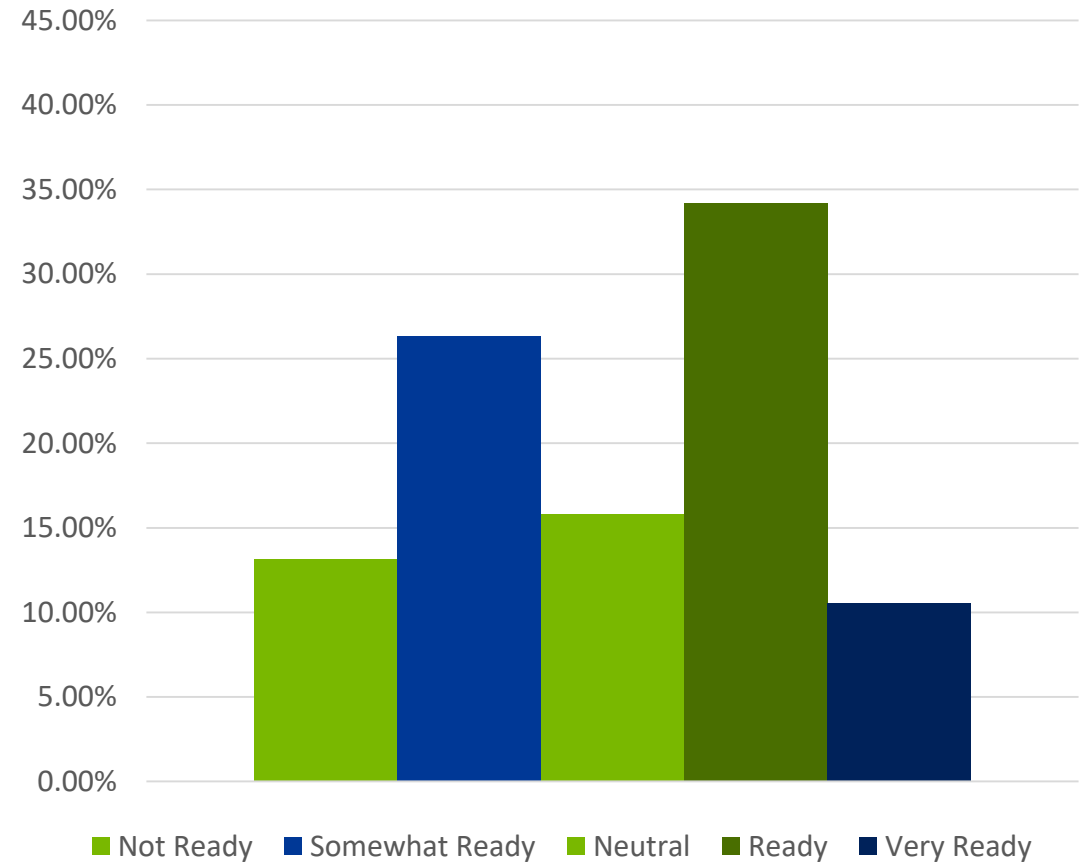
- Consumer issues, including consumer protection
- Directory issues, including models and interoperability
- Regulatory issues
- Cross-border transactions
- Security and fraud protection
- Emerging technologies
- Federal Reserve role in faster payments

Member Survey: Faster Payments Readiness

Members' Organizations



United States



Member Survey: FPC Visibility and Messaging

37% of survey respondents felt the FPC's current messaging has been effective in drawing in new members and conveying the FPC's role and future direction.

Top 3 activities the FPC should pursue to build its presence and prominence

1. Sponsor, exhibit, and speak at conferences and industry meetings [4.53/5]
2. Write and publish articles in trade publications [4.24/5]
3. Develop an external-facing industry newsletter [3.76/5]

Future Direction

Governance and Administration

- Seat elected Board and select officers
- Hire & Onboard Executive Director
- Stand up Board Committees



FPC activities and work products

- Use member survey and member meeting roundtable feedback to guide next activities
- Deliver value to FPC members
- Deliver value to the industry

Ambassadorship and Outreach

- You are FPC ambassadors to the industry and to your own organizations
- Ensure all stakeholders continue to be well represented



Break

10:15 – 10:30



The Future of Faster Payments

Lou Anne Alexander, *Early Warning*

Susan Doyle, *EPCOR*

Jan Estep, *Nacha*

Amy Zirkle, *Electronic Transaction Association*

Moderator: Andrea Gilman, *Mastercard*

The Early Days



Photo credit: The Clearing House

The Future of Faster Payments



Lou Anne Alexander
Early Warning



Susan Doyle
EPCOR



Jan Estep
Nacha



Amy Zirkle
*Electronic Transaction
Association*



Moderator:
Andrea Gilman
Mastercard





Roundtable Discussions

11:15 – 12:00



Lunch Keynote

12:30 – 1:00



Faster Payments Get Real

Cyrus Bhathawalla
KPMG



Fireside Chat

Reed Luhtanen, *Walmart*

Kevin Christensen, *FPC Acting Executive Director,
Acting Chair of the FPC Board of Directors,
SHAZAM*



Real-Time Payments for Corporates and Businesses: Will they Actually Adopt?

Magnus Carlsson, *Association for Financial Professionals*
Q&A with Deborah Matthews Phillips, *Jack Henry & Associates*



Break

1:45 – 2:00



Roundtable Discussions

2:00 – 3:00



Managing Risk Effectively in a Faster World

Rivka Gewirtz Little
IDC Financial Insights



Quick Wins Update

Matt Friend
Visa

FPC Quick Wins Mission

The goal of the Quick Wins work group is to deliver near-term results that drive long-term impact across the industry

Approach:

- Drive engagement and immediate impact for FPC members
- Demonstrate to stakeholders across multiple industries the value of the FPC
- Position the FPC as a broad, inclusive leader across multiple topics, impacting the adoption and growth of real-time payments in the U.S.



End-User Transparency Group

Promote service provider strategies, policies, practices, and capabilities that provide end-users with transparency into what to expect when making faster payments

Completed

- ✓ Revised and finalized charter
- ✓ Created sub-groups detailing eight critical categories
- ✓ Drafted guides outlining what should be shared with end-users

In Progress

- Consolidating content from subgroups into 4 documents:
 - *Faster payments transparency for consumer end users*
 - *Faster payments transparency for business end users*
 - *Preventing fraud for consumer end users*
 - *Preventing fraud for business end users*
- Determine timing and methods for delivery of info

Upcoming

- Publish guide and disseminate widely
- Coordinate efforts with other work groups to ensure consistency and promote adoption of transparency guidelines

Education & Awareness Group

Develop a sustainable, multi-channel education and awareness program to foster a better understanding of faster payments amongst all stakeholders with the goal of mass adoption

Completed

- ✓ Revised and finalized charter
- ✓ Initial definitions of Faster Payments and Real-Time Payments

In Progress

- Define common use cases
- Identify gaps and opportunities for providing more faster payments information to end-users

Upcoming

- Develop consistent multi-channel messaging
- Coordinate efforts with other work groups to publish and distribute key messaging and best practices

Safety & Security Group

Promote adoption of practices that enhance safety and security for all stakeholders in the faster payments marketplace, fostering a high-quality user experience and bolstering confidence and trust

Completed

- ✓ Revised and finalized charter
- ✓ Established first work stream: survey of security policies and procedures

In Progress

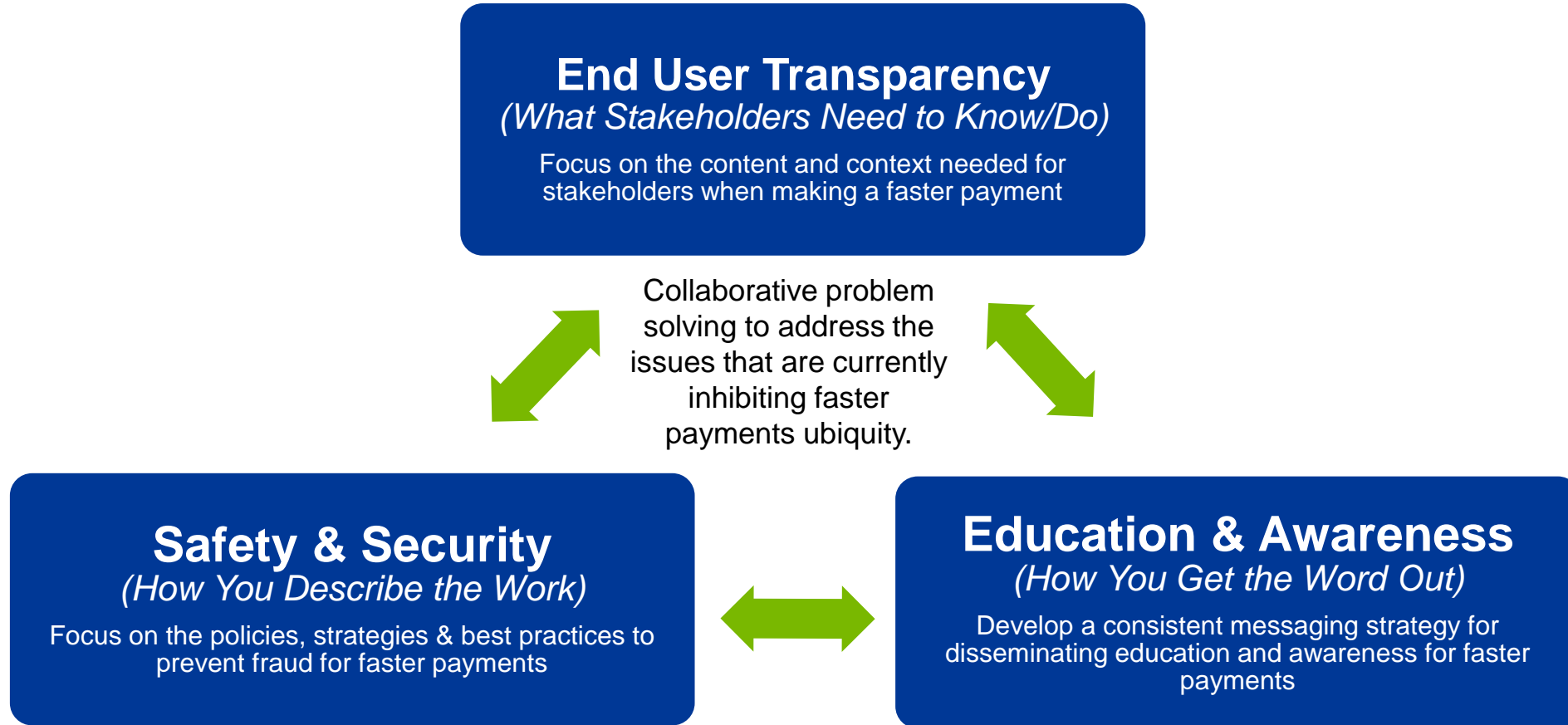
- Finalizing survey on security practices
- Compiling and evaluating faster payment solutions already operating internationally

Upcoming

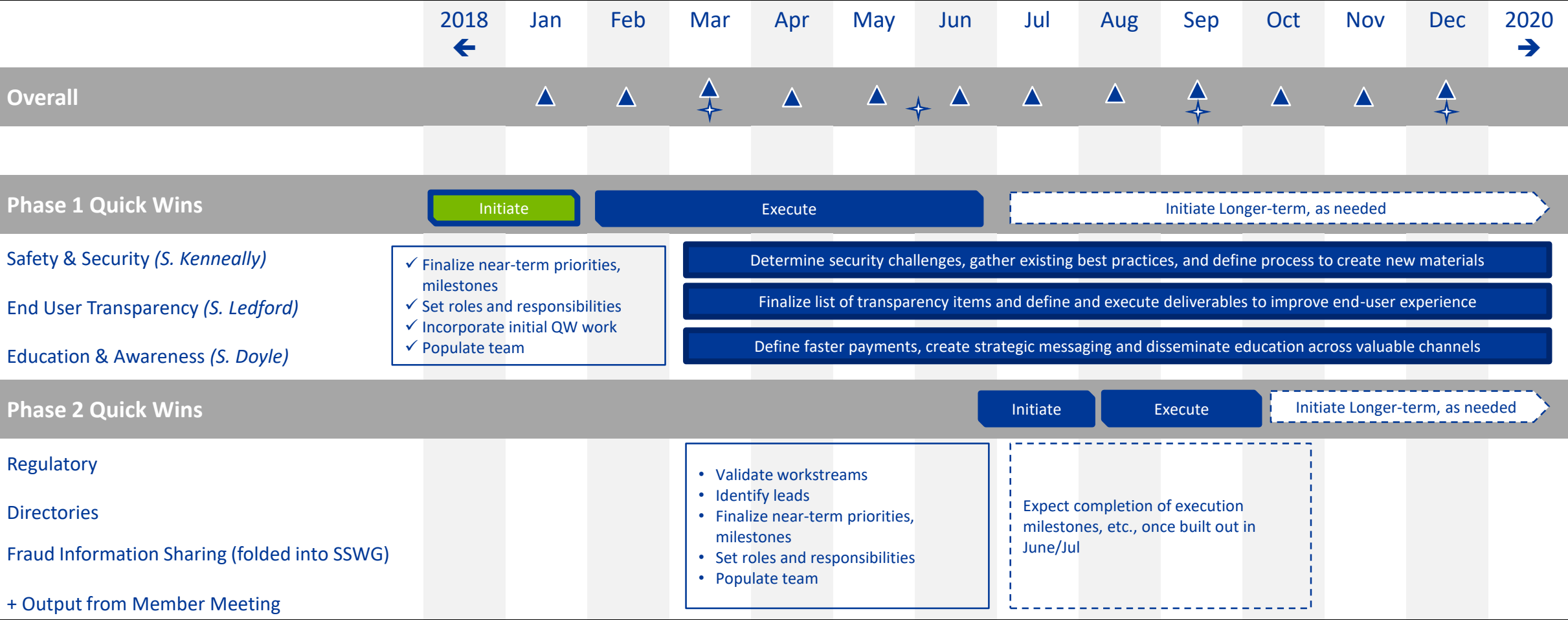
- Develop best practices in six key identified areas
- Complete summary of international faster payment systems with security perspective

Quick Wins Group – How We Work Together

Guiding principles / definitions of how the current work groups interact



Quick Wins Roadmap Overview



★ = FPC Interim / Final Board Meeting

▲ = QW Quarterly Review Meeting



Breakout Session Transition

3:45 – 4:00

- **Education & Awareness Work Group**
Directors' Dining Room
- **Safety & Security Work Group**
Iowa Room
- **End-User Transparency Work Group**
Illinois Room 5
- **Lend Your Expertise: Future FPC Initiatives**
Illinois Room 1-4 (Plenary)



Lend Your Expertise: Future FPC Initiatives

Matt Friend
Visa



Closing Remarks

Kevin Christensen

*FPC Acting Executive Director,
Acting Chair of the FPC Board of Directors,
SHAZAM*



Thank you for attending
Together. Forward. Faster.

